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THE WHEAT SITUATION

World wheat prices may be expected to fluctuate near current levels until Southern Hemisphere shipments taper off and then are likely to strengthen somewhat. Increased world demand and a greatly reduced supply are serving to offset to a considerable extent the price-depressing effect of early season Southern Hemisphere shipments. These shipments have reached record proportions this year and are likely to remain heavy until well into March, at which time world prices frequently experience a seasonal rise. It is probable that buying by European importing countries will continue aggressive during most of the remainder of the marketing season.

Domestic prices have been generally higher than world prices during the current season. This relationship is expected to continue until the latter part of April. If, by that time, winter wheat crop prospects, and seedings and moisture in the spring wheat areas indicate a crop materially in excess of domestic requirements, including a replenishment of carry-over stocks, domestic prices may be expected to decline relative to world prices. Any extensive freezing and thawing of the winter wheat crop, of course, will tend to strengthen both domestic and world prices.

The crop outturn of wheat in 1937 will be a very important factor in the world wheat situation. Carry-over stocks on July 1, 1936, were greatly reduced compared with those of the years just preceding, but they were large enough to supplement the small world crop in 1936 so that supplies in surplus producing countries were ample to meet the deficits in importing countries. A small crop again this year will not have a large world carry-over upon which

to draw. There is nothing at this time, however, to indicate that the world crop will be small. While there is a deficiency of moisture in the spring wheat areas of this country and Canada, spring rains and good growing weather would produce a good crop. Kansas, Texas and Oklahoma have been decidedly dry but there was a good snowfall over this area on February 20, the moisture from which, with the frost no out of the ground, will serve to check deterioration. Present indications point to European sowings as large as the record of 1935, and conditions are reported as about average. In India the usual January rains were missed but precipitation in early February relieved the situation. The acreage of wheat in Japan is reported to be about 15 percent larger than last year with conditions fairly good. Southern Hemisphere crops are not planted until late spring and early summer.

It now seems probable that wheat stocks in the United States on July 1, 1937, will be reduced to about 100,000,000 bushels, compared with 136,000,000 bushels a year ago. The carry-over averaged 115,000,000 bushels for the 5-year period, 1924-28, before stocks began to accumulate. The July-June wheat disappearance in continental United States is expected to be about 700,000,000 bushels. This represents an increase of about 40,000,000 bushels compared with the disappearance during the past 2 years, and is the result of increased wheat feeding and seed requirements for a larger acreage, as well as some increase in the amount of wheat milled.

PRICES

BACKGROUND:- World market prices of wheat have been moving steadily upward since the spring of 1933, reflecting higher world commodity price levels, three successive below-average harvests in North America, and last season's short Southern Hemisphere crops. During this same period domestic wheat prices have been unusually high relative to world market prices as a result of four small crops caused largely by abnormally low yields per acre. During the current season, both world and domestic prices have advanced sharply as a result of increased demand and the smallest supplies in recent years.

World and domestic prices during the last half of January, largely as the result of very heavy shipments of Southern Hemisphere wheat, continued the decline which started the early part of the month. For the week ended January 30, prices of No. 2 Hard Winter at Kansas City and No. 2 Red Winter at St. Louis averaged about 4½ cents lower than for the week ended January 16 and about 7 cents lower than for that ended January 2. During the first half of February, however, wheat prices increased sharply as a result of very active European buying, and No. 2 Hard Winter at Kansas City and No. 2 Red at St. Louis averaged 8 and 9 cents higher, respectively, than for the week ended January 30. For the week ended February 20 prices again declined, owing to a pause in the Continental European demand and slow inquiry by United Kingdom millers. The average price of wheat received at United States local (farm) markets on January 15 was 123.6 cents compared with 114.5 cents on December 15 and 92.0 cents, the revised figure for January 1936.

Table 1.- Weighted average cash price of wheat at specified markets and dates, 1935-36 and 1936-37

Date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hd. Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Western White Seattle 1/	
	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month-												
July	97	110	99	111	113	136	105	143	87	106	76	90
Aug.	98	127	104	122	127	147	115	149	92	117	75	97
Sept.	103	125	115	122	133	146	111	137	103	119	80	95
Oct.	107	129	119	122	134	148	117	153	110	121	87	98
Nov.	98	127	113	122	128	144	113	148	105	123	83	---
Dec.	100	139	111	134	128	159	112	178	106	135	85	113
Jan.	107	144	113	138	133	166	120	171	109	140	89	112
Week ended-												
High 2/	108	150	118	144	135	176	123	202	111	145	90	115
Low 2/	105	136	110	135	127	158	115	164	106	137	86	110
Jan. 23	106	141	111	136	133	158	115	164	108	138	88	112
30	107	136	111	135	127	3/152	120	172	106	137	88	110
Feb. 6	108	137	110	136	134	3/153	123	---	107	140	87	112
13	106	142	107	144	135	162	122	202	108	145	86	

1/ Weekly average of daily cash quotations, basis No. 1 sacked. 2/ January 1 to date. 3/ No. 1 heavy, not used in high and low.

Table 2.- Average closing prices of May wheat futures, specified markets, and dates, 1935-36 and 1936-37

Date	Chicago		Kansas City		Minneapolis		Winnipeg 1/		Liverpool 1/		Buenos Aires	
	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month-												
Aug.	92	110	92	110	103	121	---	102	2/79	2/105	---	---
Sept.	97	111	98	109	112	121	94	105	2/87	2/111	---	---
Oct.	101	114	103	110	115	123	93	110	2/90	2/114	---	---
Nov.	97	115	97	111	109	125	89	108	85	113	---	---
Dec.	93	128	97	123	108	136	87	121	89	126	---	---
Jan.	101	131	100	125	109	138	88	124	94	127	---	---
Week ended-												
High 3/	102	136	101	129	111	142	88	129	95	131	4/93	101
Low 3/	98	128	95	121	108	134	84	120	90	122	4/91	95
Jan. 23	101	130	99	123	109	137	88	122	95	126	2/91	2/96
30	100	128	98	121	109	134	87	120	93	122	2/92	95
Feb. 6	99	131	97	124	109	137	86	124	92	126	93	97
13	96	136	95	129	108	142	84	129	90	128	92	101

1/ Conversions at noon buying rate of exchange. 2/ March futures.
3/ January 1 to date. 4/ March and May futures.

Table 3.- Average price per bushel of wheat at specified markets and dates, 1936-37

Date (1936-37)	Kansas City 1/	Minneapolis 2/	Winnipeg 3/	Buenos Aires 4/	Liverpool 4/	Great Britain 5/	Berlin 6/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	111.0	135.5	88.0	98.5	100.4	94.4	233
Aug.	122.0	146.6	97.4	107.9	112.0	104.6	220
Sept.	122.1	146.5	99.7	99.7	116.3	99.2	210
Oct.	122.0	148.4	106.5	99.4	123.7	110.9	212
Nov.	121.9	144.3	104.5	94.8	118.1	112.4	215
Dec.	134.2	159.0	115.3	97.7	137.9	116.8	223
Jan.	138.0	165.9	120.2	91.3	126.7	129.0	
Week ended -							
Dec. 5	127.7	139.0	106.5	96.0	128.2	110.6	223
12	129.8	155.4	109.1	96.1	132.8	112.7	223
19	137.0	161.7	119.3	98.9	139.8	116.2	223
26	140.7	163.2	120.9	97.5	130.0	119.5	223
Jan. 2	143.3	176.3	124.8	100.0	134.4	125.0	223
9	140.8	167.5	123.7	98.9	132.1	128.3	223
16	139.6	166.4	123.2	98.0	129.9	130.4	223
23	135.5	158.1	118.0	96.1	124.5	130.3	223
30	135.4	2/152.0	116.0	94.5	120.2	126.9	
Feb. 6	136.0	2/153.4	120.3	97.4	124.4		
13	143.9	161.5	123.5	100.7	127.1		

Prices are averages of daily prices for the week ending Saturday except as follows: Berlin prices are Wednesday quotations. Prices at Winnipeg, Buenos Aires, Liverpool, Great Britain, Berlin and Paris are converted to United States money at the current rates of exchange.

1/ No. 2 Hard Red Winter.
2/ No. 1 Dark Northern Spring. No. 1 Heavy for weeks ended January 30 and February 6.
3/ No. 3 Manitoba Northern.
4/ Near futures.
5/ Home-grown wheat in England and Wales.
6/ Central German wheat, wholesale trade price free Central German Station.

The spread between domestic and world wheat prices (table 4) continued to be much narrower than the spread during the corresponding period in the last 3 years when crops were also less than domestic needs. While there has been some recent widening in the spread compared with a month ago, prospects are for no very large change until about the latter part of April when the domestic new crop prospects become a major price factor.

Table 4.- Spreads between domestic wheat prices and prices at Winnipeg and Liverpool, specified periods, 1934-37

Month and year	Price of cash wheat: Amount No. 2 Hard Winter (Kansas City) averaged above No. 3 Manitoba (Winnipeg)	Price of cash wheat: Amount No. 2 Hard Winter (Kansas City) averaged above parcels (Liverpool)	Price of May futures: Amount Chicago averaged above Winnipeg	Price of May futures: Amount Chicago averaged above Liverpool
	Cents per bushel	Cents per bushel	Cents per bushel	Cents per bushel
Month of Jan.				
1934	25	15	21	20
1935	29	23	15	23
1936	34	13	13	6
1937	18	6	7	4
Week ended Feb. 13-				
1934	24	1/	23	26
1935	28	1/	14	25
1936	32	1/	14	6
1937	20	1/	7	7

1/ Price of Liverpool parcels not available.

UNITED STATES WHEAT SUPPLY - JANUARY 1 AND JULY 1

BACKGROUND. - The carry-over of wheat in the United States for the 5-year period 1924-28 averaged 115,000,000 bushels. Beginning in 1929, stocks began to accumulate until in 1933 they reached the record peak of 378,000,000 bushels. Four small wheat crops since that time, however, have reduced stocks greatly, so that on July 1, 1936 they were 136,000,000 bushels. Wheat stocks on January 1 amounted to 425,728,000 bushels in 1936 and 435,065,000 bushels in 1935.

Wheat stocks in the United States on January 1, 1937, are estimated at 370,150,000 bushels, which is about 56,000,000 bushels less than a year earlier and 65,000,000 bushels less than at the beginning of 1935. Based on these stocks figures, the wheat disappearance for the July-December 1936 period is estimated at 414,000,000 bushels, which is about 50,000,000 bushels larger

than for the same period in 1934 and in 1935. The increase in disappearance is the result of increases in flour production, wheat feeding, and seed required for the larger winter wheat plantings. The January 1 estimated wheat stocks in the different positions by classes for 1935-37 are shown in table 9 and the July-December estimated total disappearance for the same 3 years in table 10.

It seems probable that the disappearance the last half of the season (January - June 1937) will be smaller than 2 years earlier, when it was 294,000,000 bushels, last year it was 300,000,000 bushels. The amount of seed and feed will probably be about the same as in the January - June period in 1936, but owing to an increase of about 14,000,000 bushels in the amount of wheat ground into flour during July-December, the amount used for flour during the last half of the season is expected to decline by perhaps 10,000,000 bushels compared with January-June 1936. Based on this reasoning, a total disappearance for the entire July-June season is forecast at around 700,000,000 bushels, which is about 40,000,000 bushels larger than for the past 2 years.

Exports of wheat and flour this season have been curtailed as a result of the maritime strike. Exports together with shipments to Alaska, Hawaii and Puerto Rico during July-December 1936 amounted to less than 5,000,000 bushels compared with the light movement of 4,000,000 bushels for the same 6-month period of 1935 and 9,000,000 bushels in that of 1934. With the strike settled and shipping resumed it seems probable that total exports and shipments for the year may reach about 10,000,000 bushels 1/.

Based on the January 1 estimated stocks, exports of about 10,000,000 bushels, and a disappearance of about 700,000,000 bushels, and assuming that July 1 stocks will be reduced to about a minimum, with farm stocks very low, it seems probable that imports for the entire season may reach about 45,000,000 bushels. From July through December imports 2/ amounted to 26,000,000 bushels compared with 21,000,000 bushels for the same period in 1935 and 8,000,000 bushels in 1934. These figures include wheat "unfit for human consumption", which in 1934-35 amounted to 8,000,000 bushels, in 1935-36 to 9,000,000 bushels, and in 1936-37 are forecast at 5,000,000 bushels. Imports of hard red spring and durum wheat have occurred in the past 4 years, when the crops were small as a result of drought and grasshoppers.

On the basis of the above figures and forecasts, the wheat carry-over on July 1, 1937, may be as low as 100,000,000 to 110,000,000 bushels, or the lowest since 1926.

These forecasts are based on available current data and the present outlook, and are, of course, subject to modifications as conditions change.

Table 5 shows the supply and distribution estimates broken down by classes beginning with 1930-31 and including the forecast for 1936-37; the latter are based on a consideration of prospective milling qualities by classes, location of supplies, etc. This table includes revisions in farm stocks, interior mill and elevator stocks, and production made necessary by the census report on acreage.

1/ Includes only exports of domestic wheat and flour made from domestic wheat.
2/ Imports include full duty wheat, wheat paying a duty of 10 percent ad valorem, and flour in terms of wheat.

Table 5.- Supply and distribution of wheat, by classes, 1930-31 to 1936-37

Item	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
All wheat							
Stocks, July 1							
Farm	60	38	93	83	62	44	44
Interior 1/	60	30	42	64	48	32	22
Commercial	110	204	108	124	81	22	21
Mill 2/	59	41	72	107	83	48	49
Total stocks	289	313	375	378	274	146	136
New crop	887	937	757	552	526	626	627
Imports 3/	---	---	---	---	4/ 16	35	(45)
Total supply	1,176	1,250	1,132	930	816	807	(808)
Exports 5/	115	126	35	28	13	7	(10)
Carry-out	313	375	378	274	146	136	(100)
Disappearance	748	749	719	628	657	664	(698)
Hard red winter							
Stocks, July 1							
Farm	24	12	52	33	25	19	11
Interior	14	11	20	20	12	11	6
Commercial	46	105	111	70	40	9	6
Mill	36	25	55	77	49	28	28
Total stocks	120	153	238	200	126	67	51
New crop	404	509	281	177	208	203	260
Total supply	524	662	519	377	334	270	311
Exports	65	85	22	4	3	2	(2)
Carry-out	153	238	200	126	67	51	(44)
Disappearance	306	339	297	247	264	217	(265)
Soft red winter							
Stocks, July 1							
Farm	11	9	27	13	14	13	14
Interior	8	5	10	8	6	5	4
Commercial	5	7	17	5	7	5	3
Mill	2	2	5	5	9	9	6
Total stocks	26	23	59	31	36	32	27
New crop	180	262	159	162	188	204	207
Total supply	206	285	218	193	224	236	234
Exports	4	3	---	---	---	---	---
Carry-out	23	59	31	36	32	27	(17)
Disappearance	179	223	187	157	192	209	(217)

Continued

Table 5.- Supply and distribution of wheat, by classes, 1930-31 to 1936-37 - Cont'd

Item	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Hard red spring							
Stocks, July 1							
Farm	14	10	7	26	15	7	12
Interior	18	5	4	14	11	5	4
Commercial	43	62	30	41	29	6	8
Mill	14	8	8	18	19	8	10
Total stocks	89	85	49	99	74	26	34
New crop	157	72	190	107	53	108	52
Imports	---	---	---	---	9	31	(36)
Total supply	246	157	239	206	136	165	(122)
Exports	1	---	---	---	---	---	---
Carry-out	85	49	99	74	26	34	(20)
Disappearance	160	108	140	132	110	131	(102)
Durum							
Stocks, July 1							
Farm	6	3	2	5	2	1	3
Interior	7	1	1	3	2	1	1
Commercial	15	23	9	6	2	2	2
Mill	4	3	2	2	2	2	2
Total stocks	32	30	14	16	8	6	8
New crop	60	23	42	18	7	25	9
Imports	---	---	---	---	4/7	4	(9)
Total supply	92	53	56	34	22	35	(26)
Exports	13	5	2	---	---	---	---
Carry-out	30	14	16	8	6	8	(6)
Disappearance	49	34	38	26	16	27	(20)
White							
Stocks, July 1							
Farm	5	4	5	6	6	4	4
Interior	13	8	7	19	17	10	7
Commercial	1	7	1	2	3	0	2
Mill	3	3	2	5	4	1	3
Total stocks	22	22	15	32	30	15	16
New crop	86	71	85	88	70	86	99
Total supply	108	93	100	120	100	101	115
Exports	32	33	11	24	10	5	(8)
Carry-out	22	15	32	30	15	16	(13)
Disappearance	54	45	57	66	75	80	(94)

1/ Interior mill and elevator stocks.
2/ Bureau of Census raised to represent all merchant mill and elevator stocks, including stored for others.
3/ From reports of Foreign and Domestic Commerce of the United States. Imports include full-duty wheat, wheat paying a duty of 10 percent ad valorem, and flour in terms of wheat. Wheat "unfit for human consumption" amounted to 3,000,000 bushels in 1934-35, 9,000,000 bushels in 1935-36, and is forecast at 5,000,000 bushels for 1936-37. 4/ Includes 1,500,000 bushels of United States durum returned from Montreal. 5/ From reports of Foreign and Domestic Commerce of the United States. Exports are regular exports plus shipments to Alaska, Hawaii, and Puerto Rico, and include wheat and flour made wholly from domestic wheat. 6/ Balancing item.

Table 6.- Wheat surplus for export or carry-over in the three principal exporting countries, United Kingdom port stocks and stocks afloat, February 1, 1934-37 1/

Position	1934	1935	1936	1937
	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.
Canada:				
In Canada	279	263	241	95
In United States	10	25	29	21
Argentina	182	146	59	125
Australia	117	97	89	70
Total	588	531	418	311
United Kingdom port stocks	15	13	9	6
Stocks afloat to:				
United Kingdom	17	12	17	22
Continent	9	8	7	16
Orders	11	13	2	16
Total	52	46	35	60
Total above	640	577	453	371

1/ Carry-over at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production, minus domestic utilization for the year, minus monthly exports to date.

WORLD WHEAT SURPLUSES AND TRADE

BACKGROUND:- Total world supplies of wheat, excluding China and including only net exports from Soviet Russia, averaged 4,100,000,000 bushels for the 5 years, 1923-24 to 1927-28, increased to 4,986,000,000 bushels in 1933-34, then declined sharply, largely as a result of successive years of small production. Total world supplies for 1936-37 are estimated at 4,226,000,000 bushels compared with 4,685,000,000 and 4,507,000,000 bushels for 1934-35 and 1935-36, respectively.

Total world shipments of wheat averaged 751,000,000 bushels for the 5 years, 1923-24 to 1927-28, increased to a peak of 913,000,000 bushels in 1928-29 (July-June), then declined sharply, largely as a result of measures by importing countries to reduce the use of foreign wheat. Shipments were 613,000,000 bushels in 1932-33, 525,000,000 bushels in 1933-34, 536,000,000 bushels in 1934-35, and 489,000,000 bushels in 1935-36.

Present estimates indicate that the surplus of wheat available for export or carry-over on February 1, 1937, in Canada, Argentina and Australia, together with United Kingdom port stocks and quantities afloat, was about 371,000,000 bushels, or 82,000,000 bushels smaller than on February 1, 1936. Estimates by countries are shown in table 6. Wheat supplies available for export or carry-over in Danubian countries on January 1 totaled about 38,000,000 bushels. No exports of significance are expected from Soviet Russia this season; to date a total of only 88,000 bushels has been shipped.

World shipments, July 1936 through February 20, 1937, totaled 378,500,000 bushels, which represents a material increase over the 314,100,000 bushels for the same period a year earlier and 347,400,000 bushels 2 years earlier. New crop shipments from Argentina have established a new record with a total of 48,000,000 bushels from January 3 through February 18. These, together with Australian shipments of 19,000,000 bushels, combine to make 67,000,000 bushels, which has been exceeded in only 3 years during the post-war period. The quality of the Argentine wheat is well above average and is being purchased by European millers in place of the higher priced Manitobas which are usually used to blend with domestic soft wheats. The quality of the Australian crop is also well above average although not up to that of last year.

During the past month active buying by Germany has been an important price influence. Spain also entered the market after authorizing the importation of around 11,000,000 bushels of cash wheat.

AREA AND CONDITION OF FALL SOWN WHEAT

The acreage sown to winter wheat in 12 countries, for the 1937 harvest, is shown in table 7. Indications point to total European sowings as large as the record of 1935, when 79,000,000 acres were sown. The favorable weather for fall sowing, which prevailed over most of Europe, coupled with present price levels, resulted in increased acreage in most countries. In the estimates received to date, increases are noted for all but three European countries, Czechoslovakia reports an 11 percent decrease from last year and Poland a 3 percent decrease. Although definite estimates are not available for Italy, Portugal and the Danubian countries, reports indicate that acreage has been increased considerably.

Throughout Eruope, conditions are about average. In France the weather has been mild and crops are too advanced; some frost damage has been reported. Heavy rains have caused some flooding, but damage is not considered serious. In Germany alternate freezing and thawing are thought to have damaged the crop to some extent. Crop conditions in the Balkans are reported to be good. Russia has sustained severe frosts but the snow cover is believed to be sufficiently heavy for protection in most sections. The outlook in Italy is reported as generally favorable. The official condition of the crop in Poland on January 15 was 2.9, or a little less than fair, but since that time severe frosts are reported to have resulted in some additional damage. Excessive rainfall in parts of England and Wales has done considerable damage to the crop. In India the usual January rains were missed and deterioration of the crop was feared, but during the early part of February widespread rains relieved dryness and checked further damage. The acreage of wheat in Japan is reported to be about 15 percent larger than last year and the condition of the seedings fairly good.

Table 7.- Area sown to winter wheat in specified countries for harvest in 1935, 1936 and 1937

Country	1935	1936	1937
	1,000 acres	1,000 acres	1,000 acres
United States	47,067	49,688	57,187
Canada	685	585	702
Total (2)	47,752	50,273	57,889
Belgium	380	382	431
Czechoslovakia	2,250	2,217	1,969
England and Wales	1,772	1,703	1/ 1,754
France 2/	13,007	12,536	12,772
Greece	2,091	2,104	2,076
Latvia	210	172	3/ 182
Lithuania	414	349	388
Poland	3,756	3,748	3,647
Rumania	7,741	6,600	7,253
Total (9)	31,621	29,811	30,472
Total (11)	79,373	80,084	88,361
India	33,168	32,760	32,167

1/ Based on a reported 3 percent increase.
2/ Sowings to January 1.
3/ Based on a reported 6 percent increase.

AREA OF FALL SOWN RYE

The total of the eight European countries reporting acreage of winter rye sown, is slightly larger than the acreage sown in these countries a year ago but somewhat below that of 1935. Of the eight countries, four show increases and four, decreases in acreage.

Table 8.- Area sown to winter rye in specified countries for harvest in 1935, 1936 and 1937

Country	1935	1936	1937
	1,000 acres	1,000 acres	1,000 acres
United States	6,312	6,547	7,673
Canada	652	483	464
Total (2)	6,964	7,030	8,137
Belgium	529	525	385
Czechoslovakia	2,464	2,483	2,447
France 1/	1,607	1,611	1,620
Greece	181	166	160
Latvia	658	592	682
Lithuania	1,258	1,206	1,269
Poland	14,229	14,315	14,247
Rumania	940	776	941
Total (8)	21,866	21,674	21,751
Total (10)	28,830	28,704	29,888

1/ Sowings to January 1.

THE DURUM WHEAT SITUATION

BACKGROUND:- Until recent years a very considerable part of the durum wheat produced in the United States was exported, with prices depending chiefly upon export markets. During the last 3 years, largely because of drought, production has been reduced to less than domestic requirements and prices have advanced to an import basis. The 1934-35 imports amounted to 5,000,000 bushels and 1935-36 to 4,000,000 bushels. The six countries which produce durum wheat in sufficient quantities to affect the international situation are the United States, Canada, Italy, Algeria, Morocco and Tunisia.

Durum supplies in the United States this season are again below domestic requirements and prices have been high enough again to result in imports. Moreover, short supplies in Canada and in the Mediterranean countries have resulted in active competition for the small offerings in world markets and have caused prices to advance to the highest level since 1925.

United States durum supplies this season are the shortest of any year for which data are available. The 1936 production was the smallest on record with the exception of the drought year of 1934, and amounted to only 9,000,000 bushels, which, together with the carry-over stocks of about 8,000,000 bushels, resulted in a total supply of only about 17,000,000 bushels. This was about the same as in 1934 when it was 15,000,000 bushels, but much less than the 31,000,000 bushels in 1935. Table 5 shows the supply and distribution estimates of durum beginning with 1930-31 and includes forecasts for the current season. Table 11 shows production beginning with 1919.

Canadian durum supplies also are short this season, although slightly above the small supplies of 1935. Production totaled 18,846,000 bushels compared with 17,800,000 bushels in 1935. Carry-over stocks were apparently somewhat larger than those of a year earlier, with stocks in store on August 1 in commercial channels amounting to 4,118,000 bushels compared with 3,225,000 bushels a year earlier, in addition to quantities remaining on farms and in country elevators. Crops in the Mediterranean countries were well below those of other recent years, while carry-over stocks were also very small.

World trade in durum wheat is currently at a very low level. The bulk of the Canadian surplus has been shipped to the United States while European imports have been held to a minimum through scarcity of offerings and relatively high prevailing prices.

Table 5.- Stocks of wheat by classes, continental United States, January 1, 1935-37

Position	1935	1936	1937
	Million bushels	Million bushels	Million bushels
All wheat:			
Farm stocks	146	163	129
Interior mill and elevator stocks	92	81	80
Commercial stocks	91	77	62
Merchant mill stocks 1/	106	105	99
Total	435	426	370
Hard red winter:			
Farm stocks	50	40	41
Interior mill and elevator stocks	29	23	21
Commercial stocks	40	27	31
Merchant mill stocks	59	55	58
Total	178	145	151
Soft red winter:			
Farm stocks	52	53	41
Interior mill and elevator stocks	19	16	15
Commercial stocks	30	16	12
Merchant mill stocks	25	17	15
Total	126	102	83
Hard red spring:			
Farm stocks	27	43	26
Interior mill and elevator stocks	14	14	9
Commercial stocks	14	27	12
Merchant mill stocks	13	26	18
Total	68	110	65
Durum:			
Farm stocks	4	11	6
Interior mill and elevator stocks	2	4	2
Commercial stocks	2	2	1
Merchant mill stocks	3	2	1
Total	11	19	10
White:			
Farm stocks	13	16	15
Interior mill and elevator stocks	28	24	33
Commercial stocks	5	5	6
Merchant mill stocks	6	5	7
Total	52	50	61

1/ Bureau of Census raised to represent all merchant mill and elevator stocks, including stored for others.

Table 10.- Wheat: July 1 stocks of wheat, July-December imports and exports, January 1 stocks, and July-December disappearance, 1934-36

Item	1934	1935	1936
	Million bushels	Million bushels	Million bushels
All wheat			
Stocks, July 1	274	146	136
+Production	526	626	627
+Imports, July-Dec. 1/	8	21	26
-Exports, July-Dec. 2/	9	4	5
-Stocks, Dec. 31	435	426	370
Disappearance, July-Dec. 3/	364	363	414
Hard Red Winter			
Stocks, July 1	125	67	51
+Production	208	203	260
-Exports, July-Dec.	2	1	1
-Stocks, Dec. 31	178	145	151
Disappearance, July-Dec.	153	124	159
Soft Red Winter			
Stocks, July 1	36	32	27
+Production	188	204	207
-Stocks, Dec. 31	125	102	84
Disappearance, July-Dec.	99	134	150
Hard Red Spring			
Stocks, July 1	74	26	34
+Production	53	108	52
+Imports, July-Dec.	4	19	15
-Stocks, Dec. 31	68	110	65
Disappearance, July-Dec.	63	43	36
Durum			
Stocks, July 1	9	5	7
+Production	7	25	9
+Imports, July - Dec.	4	2	11
-Stocks, Dec. 31	12	19	10
Disappearance, July - Dec.	8	13	17
White			
Stocks, July 1	30	16	17
+Production	70	86	99
-Exports, July - Dec.	7	3	4
-Stocks, Dec. 31	53	50	60
Disappearance, July - Dec.	40	49	52

1/ From reports of Foreign and Domestic Commerce of the United States. Imports include full-duty wheat, wheat paying a duty of 10 percent ad valorem, and flour in terms of wheat. 2/ From reports of Foreign and Domestic Commerce of the United States. Exports are regular exports plus shipments to Alaska, Hawaii, and Puerto Rico and include wheat, and flour made wholly from domestic wheat.
3/ Balancing item.

Table 11.- Production of wheat in the United States, by classes, 1919-36

Year	Winter		Spring		White			Total
	Hard Red	Soft Red	Hard Red	Durum	Winter	Spring	Total	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1919	330,828	356,925	141,263	33,090	60,707	29,284	89,991	952,097
1920	320,937	239,649	151,518	47,667	52,641	30,865	83,506	843,277
1921	323,465	222,381	131,587	57,854	56,947	26,730	83,677	818,964
1922	298,935	221,432	169,809	85,571	51,092	19,810	70,902	846,649
1923	258,817	237,348	132,293	42,373	59,234	29,517	88,751	759,482
1924	352,362	185,927	193,235	61,543	35,274	13,276	48,550	841,617
1925	204,171	162,962	165,780	60,377	33,486	41,924	75,410	668,700
1926	371,178	215,709	123,282	45,320	44,720	32,004	76,724	832,213
1927	322,322	166,592	206,679	81,423	59,274	38,769	98,043	875,059
1928	394,110	127,393	202,803	99,008	57,563	33,496	91,059	914,373
1929	371,076	164,400	145,621	57,117	50,763	34,240	85,003	823,217
1930	403,609	179,692	157,378	59,522	50,304	35,965	86,269	886,470
1931	509,411	261,787	72,439	22,099	49,355	21,740	71,095	936,831
1932	280,450	159,214	189,939	42,252	52,131	32,941	85,072	756,927
1933	176,997	162,313	106,469	17,816	37,208	50,880	88,088	551,683
1934	207,860	188,602	53,279	6,891	41,501	28,260	69,761	526,393
1935	203,232	204,256	107,975	24,759	57,831	28,291	86,122	626,344
1936	259,667	207,126	52,252	8,875	52,220	46,321	98,541	626,461

Table 12.- Monthly sales of wheat and rye by farmers, United States

Crop and season	Percentage of receipts during												
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent
Wheat													
Av. 1924-25 to 1933-34, incl.	3.9	20.1	19.8	15.0	9.7	6.2	5.1	4.2	4.1	3.3	2.9	3.4	2.3
1934-35	12.2	29.6	15.4	9.5	5.3	4.3	4.5	2.9	3.5	2.9	4.4	3.5	2.0
1935-36	2.4	19.3	25.9	17.6	9.7	4.4	3.8	3.7	2.5	3.4	2.6	2.2	2.5
Rye													
Av. 1924-25 to 1933-34, incl.	---	9.1	22.4	20.4	13.5	8.0	6.0	4.7	4.1	3.2	2.6	2.8	3.2
1934-35	.3	17.2	29.3	20.3	8.9	4.7	4.3	2.5	2.3	3.2	2.3	2.5	2.2
1935-36	.1	5.5	19.3	18.4	13.6	7.5	5.4	4.9	4.4	7.1	4.5	5.1	4.2

Table 13.-Exports of wheat and wheat flour from the United States, specified dates, 1935-36 and 1936-37 1/

Date	Wheat		Wheat flour		Wheat, including flour	
	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37
	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels	1,000 bushels	1,000 bushels
July - Dec.	165	1,732	1,618	1,953	8,052	10,913
Week ended :						
Jan. 9	0	0	13	23	61	108
16	1	0	22	13	104	61
23	1	1	13	10	62	48
30	0	0	31	18	48	85
Feb. 6	3	22	26	15	125	92
13	0	0	18	33	85	155

Compiled from reports of the Department of Commerce.
1/ Includes flour milled in bond from foreign wheat.

Table 14.- Shipments of wheat, including flour, from principal exporting countries, specified dates, 1935-36 and 1936-37

Date	Argentina		Australia		Danube		North America	
	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37	1935-36	1936-37
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July - Dec.	51,468	35,256	45,852	36,320	7,408	41,088	93,912	146,958
Week ended :								
Jan.9 ...	1,076	3,928	2,216	2,000	104	904	3,992	3,864
16 ...	652	5,740	2,912	1,720	0	1,392	4,536	2,720
23 ...	440	7,724	3,848	3,756	240	952	5,248	3,760
30 ...	652	7,488	2,348	3,636	0	424	4,088	2,672
Feb.6 ...	1,676	7,930	2,844	2,656	128	792	5,504	2,464
13 ...	1,024	7,008	3,096	2,612	0	680	4,464	2,663

Compiled from Broomhall's Corn Trade News.